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GSA Sitting on Gold Mine of Gifts

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A \$1,200 bottle of wine given to Henry Kissinger, a \$1,600 diamond and mother-of-pearl watch given to CIA Director Stansfield Turner and a \$1,709 gold dagger given to Secretary of State Cyrus Vance are among the gifts from foreign countries sitting in government vaults because the General Services Administration so far has failed to sell them as required by law.

The federal government has 918 such gifts, valued conservatively at more than \$100,000. The gifts date back to 1966, when government officials were first required to turn over presents they had received from foreign officials or governments.

The law allowed officials to accept gifts if they are donated to museums or turned over to the government to be sold. If a gift does not go to a museum, GSA, the federal housekeeping agency, is supposed to handle its sale, once the secretary of state has determined that it

would not harm relations with other countries.

Since 1966, only seven gifts have been sold—for about \$25,000. Another 1,400, valued at about \$452,000, have been transferred to museums, according to GSA records. The gifts now in storage have been turned down by museums.

Gifts to presidents are covered by the same regulations. But some presidents have been able to keep their gifts by displaying them in

their libraries, considered to be GSA storage areas.

Most of the unsold gifts of watches, exotic furniture, elephant tusks, necklaces, carpets and inlaid boxes are kept in a living-room-sized GSA vault on the first floor of the Forrestal Building on Independence Avenue SW. Four persons know the combination, and the vault is protected by alarm devices that detect movement inside.

The seven items that have been sold went at public auction, advertised in the newspapers, in 1974, according to Stan M. Duda who is in charge of the program.

GSA made \$37.6 million for the U.S. Treasury in fiscal 1979 by selling such items as government typewriters, adding machines, cars and other surplus property.

Duda acknowledged that GSA has had the authority to sell the items since 1966, but he blamed the State Department for failing to take the initiative.

The law was revised in 1978, and Duda said, "We're in the process of preparing regulations. We'll get rid of everything eventually. There's a lot of sensitivity about selling the items [because they are gifts]," he said.

A year ago, the State Department approved the sale of 37 items, he said. Asked why GSA has not sold those gifts, Duda said, "We weren't ready to do it... It wasn't practical."

"I don't know when they will be sold," he said. "They will be sold, sometime in the near future. We don't have a special staff for this."

Duda said GSA may negotiate

prices with potential buyers or take competitive bids. The government officials who received the gifts originally are allowed to buy them back at any time, he said.

Duda said the GSA's estimates of the value of items are generally made without obtaining formal appraisals. He said the real values may be much higher because of recent dramatic increases in the prices of gold and other precious materials.

"The real proof of the value will be when we sell them," he said.

Among the gifts turned in by government officials are a gold watch, originally valued at \$1,500, given to Vance by Saudi Arabia; a silver samovar set originally valued at \$1,500, given to Frank C. Carlucci of the CIA by an undisclosed donor; and a \$1,000 vase given to then-secretary of commerce Juanita M. Kreps by the People's Republic of China.

Various other State Department officials received a carved ivory tusk from Malawi, four ladies' gold Piaget watches valued at \$1,000, a \$500 rug from Morocco, and a turquoise-and-diamond necklace, earring, and ring set from Iran valued at \$1,000.

Among the gifts transferred to museums are a \$10,000 gold dagger frame with 49 diamonds, 42 rubies and 47 blue sapphires, along with a dagger with 17 blue sapphires, given by Morocco; a \$100,000 7.9-carat diamond from the Congo (now Zaire); and a \$1,200 yellow gold bracelet from the Ivory Coast.

The \$1,200 bottle of wine given to Kissinger was a 1927 Rudesheimer Apostwein-Rheingau Bremer Ratskeller, a gift of the West German government.